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M.Phil/2nd Sem/COM/19 (O)

2019

M.Phil.

2nd Semester Examination

COMMERCE

Paper - COM 121

(Strategic Decisions in Finance)

[Old Syllabus]

Full Marks : 50

Time : 2 Hours

The figures in the margin indicate full marks.

Candidates are required to give their answers

in their own words as far as practicable.

Illustrate the answers wherever necessary.

1. Answer any *four* questions from the following :

4×5

(a) Discuss the importance of corporate strategy. 5

(b) What is capital rationing ? Why is it necessary ?

3+2

(c) Write a short note on retrenchment strategies. 5

[Turn Over]

- (d) Describe the meaning of spin-off as a corporate restructuring strategy. 5
- (e) Explain the risk adjusted discount rate method for evaluating projects. 5
- (f) What do you understand by capital budgeting decisions ? 5
- (g) Is it possible to balance financial goal and sustainable growth of organisation ? Give your views. 5
- (h) What is the approach that is adopted to make strategic decisions ? 5

2. Answer any *two* questions from the following :

2×10

- (a) What is the difference between mergers and acquisitions ? Discuss the various reasons behind mergers. 3+7
- (b) What do you understand by corporate restructuring ? Write a short note on financial restructuring. 5+5
- (c) Discuss the terms Leveraged Buyout and Management Buyout. 5+5

(3)

- (d) (i) What are the different situations where IRR and NPV can give contradictory results regarding project acceptability ?
- (ii) Write a short note on payback period and net present value methods for evaluating projects. 5+5

[Internal Assessment : 10 Marks]
